

November 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>November 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$154,831,503	\$772,159,595
Percent Change	3.8%	(5.3%)
Corporate Income Tax		
Net Collections	(\$3,441,275)	\$113,517,560
Percent Change	85.8%	(2.3%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$246,764,506	\$1,240,434,899
Change	(0.2%)	1.1%
Total Big Three Tax Types		
Net Collections	\$398,154,734	\$2,126,112,054
Percent Change	7.0%	(1.5%)

TAX FACTS

November 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	November 2002	November 2001	% Change
Gross Collections	\$6,765,849	\$7,867,982	(14.0)
Withholding	195,524,645	195,858,874	(0.2)
Refunds	(11,579,070)	(19,343,519)	(40.1)
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
Net Collections	\$154,831,503	\$149,226,956	3.8
	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$116,244,376	\$131,508,468	(11.6)
Withholding	922,013,253	957,626,673	(3.7)
Refunds	(86,698,429)	(98,065,931)	(11.6)
Urban Revenue Sharing	(179,399,605)	(175,781,905)	2.1
Net Collections	\$772,159,595	\$815,287,304	(5.3)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$39,869 in tax liability, refunds for this credit totaled \$203,725. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	41,107	1,471,664	76,654	104,995	6	42,894	288,635	14,883	201,331	2,635	33	2,244,837
%	1.8	65.6	3.4	4.7	0.0	1.9	12.9	0.7	9.0	0.1	0.0	

The 2,244,837 returns, representing current and prior tax years, filed through November 2002 represents an increase of 2.2% over the November returns filed during the same period of time in 2001. For tax year 2001 filed in 2002, 2,147,696 returns have been filed, a 1.6% increase over filings in November 2001 for tax year 2000.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,509,130 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 2.5% decrease in FAGI and an 8.1% decrease in tax liability. More specifically, 42.4% of these filers experienced a decrease in tax liability; on average a decrease of 45.7% with a corresponding average decrease in FAGI of 26.6%. Filers with an increase in tax liability totaled 706,640 or 46.8%, with an average FAGI increase of 28.0% and an average tax liability increase of 51.4%.

Average Individual Income Tax Refund

	Average	Number
2002 CYTD	\$586.37	1,533,982
2001 CYTD	\$652.75	1,357,256
% Change	(10.2%)	13.0%

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 232,847 "new" returns have been filed thus far in 2002, representing approximately 283,431 persons, not including dependents. The average Federal Adjusted Gross Income for these 232,847 returns is \$19,863, with an average tax liability of \$330. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 20.5% had a married filing joint filing status, 7.9% claimed a 65 And Over Exemption and 34.3% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. An additional \$63.8 million in estimated payments came from 1999 tax returns that applied their refunds as a 2000 estimated payment, for an average of \$1,744. Estimated payments received through November 2002 for tax year 2001 were as follows:

11/02	140ES payment	\$71,637	Cumulative	\$336,410,946
11/01	140ES payment	\$353,561	Cumulative	\$366,398,515
	Percent change	N/A		(8.2%)
11/02	Average payment	(\$429)	Cumulative	\$1,480
11/01	Average payment	\$6,096	Cumulative	1,619
	Percent change	N/A		(8.6%)
11/02	Applied refund	\$92,345	Cumulative	\$67,671,613
11/01	Applied refund	\$112,292	Cumulative	\$63,746,957
	Percent change	(17.8%)		6.2%
Total 11/02		\$163,983	Cumulative	\$404,082,558
Total 11/01		\$465,853	Cumulative	\$430,145,472
	Percent change	N/A		(6.1%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the third quarter of 2001, which shows a growth rate of 5.0% in withholding payments over the third quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

4 th Quarter 2001	(0.2%)	3 rd Quarter 2002	(4.8%)
1 st Quarter 2002	(3.2%)	4 th Quarter 2002	0.3%
2 nd Quarter 2002	(2.6%)		

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	15,168	\$5,006,327	\$330.06
Calendar Year 2001	14,565	\$4,645,322	\$318.94
% Change	4.1%	7.7%	3.5%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2001:

	November 2002	Calendar Year Total
Check Off	\$17,457	\$3,243,693
Voluntary Donation	\$889	\$53,134
Number of Returns	2,158	446,542

Contributions on the Individual Income Tax Return

Through November 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	10,760	\$180,090	\$16.74
Child Abuse	12,356	\$212,866	\$17.23
Special Olympics	5,500	\$82,304	\$14.96
Neighbors Helping	3,376	\$41,286	\$12.23
AID to Education	495	\$34,154	\$70.00
Domestic Violence Shelter	8,623	\$147,539	\$17.11
Democratic Party	751	\$15,527	\$20.68
Republican Party	569	\$14,333	\$25.19
Libertarian Party	100	\$2,080	\$20.80
Reform Party	9	\$92	\$10.22
Green Party	166	\$2,573	\$15.50
Natural Law	11	\$180	\$16.36

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	November 2002	November 2001	% Change
Gross Collections	\$11,280,385	\$12,967,176	(13.0)
Refunds	(\$14,721,660)	(\$37,170,587)	(60.4)
Net Collections	(\$3,441,275)	(\$24,203,411)	85.8

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$157,823,377	\$180,926,045	(12.8)
Refunds	(\$44,305,817)	(\$64,687,312)	(31.5)
Net Collections	\$113,517,560	\$116,238,733	(2.3)

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

November 2002	\$7,513,766	Calendar Year Total	\$283,381,425
November 2001	<u>\$8,193,430</u>	Calendar Year Total	<u>\$339,677,378</u>
% Change	(8.3%)	% Change	(16.6%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for November 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
November 2002	66	13	5	0	3	0	87	(8.4%)
November 2001	75	10	7	1	2	0	95	
CY 2002	2,211	262	265	59	41	0	2,838	(11.0%)
CY 2001	2,487	276	319	60	44	1	3,187	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	97 & Prior	98	99	00	01	02
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 02/03	11.1%	11.6%	6.6%	65.0%	5.7%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

November 2002	\$57,141,095	Calendar Year Total	\$150,047,164
November 2001	<u>\$44,227,076</u>	Calendar Year Total	<u>\$98,831,927</u>
% Change	29.1%	% Change	51.8%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through November 2002, 93,409 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	280	34,320	48,043	304	10,462
%	0.3	36.7	51.4	0.3	11.2

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through November 2001, the Arizona Department of Revenue received 101,307 documents with a fiscal year-end of 2000. Compared to 2001 documents, this represents a 0.5% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for November 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	November 2002	November 2001	% change
Distribution Base	\$102,319,720	\$104,093,355	(1.7)
Non shared	196,694,481	199,156,315	(1.2)
Use Tax	14,779,954	12,146,742	21.7
Education Tax	36,776,267	37,279,999	(1.4)
Other Revenues	43,636,934	43,561,050	0.2
Total Collections	\$394,207,356	\$396,237,461	(0.5)

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Distribution Base	\$508,742,212	\$504,521,639	0.8
Non shared	987,921,488	982,043,737	0.6
Use Tax	77,048,222	71,179,539	8.2
Education Tax	183,414,070	179,978,400	1.9
Other Revenues	212,949,630	208,546,213	2.1
Total Collections	\$1,970,075,622	\$1,946,269,528	1.2

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	November 2002	November 2001	% change
Retained by State	\$246,764,506	\$247,204,854	(0.2)
Returned to Counties	41,449,718	42,168,219	(1.7)
Returned to Cities	25,579,930	26,023,339	(1.7)
Education Tax	36,776,267	37,279,999	(1.4)
Other	43,636,935	43,561,050	0.2
Total Collections	\$394,207,356	\$396,237,461	(0.5)

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% change
Retained by State	\$1,240,434,899	\$1,227,198,115	1.1
Returned to Counties	206,091,470	204,403,160	0.8
Returned to Cities	127,185,553	126,143,640	0.8
Education Tax	183,414,070	179,978,400	1.9
Other	212,949,630	208,546,213	2.1
Total Collections	\$1,970,075,622	\$1,946,269,528	1.2

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	November 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$232,068	6.3	\$1,148,976	3.2
Non-Metal Mining/Oil & Gas	3.125%	626,417	21.2	3,196,342	12.3
Utilities	5.6%	26,877,349	1.1	148,499,986	2.6
Communications	5.6%	11,508,708	(2.1)	60,228,839	1.6
Railroads/Aircraft	5.6%	85,093	(73.1)	(2,489,421)	N/A
Private Car/Pipelines	5.6%	54,689	293.3	241,920	110.2
Publishing	5.6%	537,534	6.6	2,862,767	(2.4)
Printing	5.6%	1,618,255	1.1	11,086,709	46.6
Restaurants/Bars	5.6%	27,355,898	2.8	129,031,419	3.1
Amusements	5.6%	3,562,046	89.4	14,388,451	14.2
Commercial Lease	0%	(58,794)	N/A	(151,521)	N/A
Rental of Personal Property	5.6%	14,961,230	(11.8)	68,907,180	(9.2)
Contracting	3.75% - 5.6%	49,339,284	1.6	242,996,335	(2.2)
Feed Wholesale	Repealed	(400)	N/A	(386)	N/A
Retail	5.6%	153,731,502	(3.6)	782,270,327	1.5
Mining Severance	2.5%	56,318	N/A	395,023	143.3
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	156	N/A
Hotel/Motel	5.5%	8,126,342	6.9	31,745,426	1.1
Membership Camping	5.6%	9,425	66.8	26,715	(26.0)
Use/Use Inventory	5.6%	14,779,954	21.7	77,048,222	8.2
Rental Occupancy Tax	3.0%	16,496	74.7	53,666	(0.2)
Jet Fuel Tax	\$.0305/\$.0105 gal	350,406	(30.0)	2,114,879	10.7
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	516,938	(7.8)	2,561,232	(5.6)
Poison Control Fund	----	191,196	(7.8)	947,305	(5.6)
911 Wireline/Excise	\$0.37 monthly per activated service	1,549,729	24.6	6,464,531	9.1
911 Wireless Service	\$0.37 monthly per activated service	932,410	61.2	3,803,668	46.5
Total		\$316,960,092	(0.3)	\$1,587,378,748	1.1

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	November 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,641,354	6.3	\$22,979,514	3.2
Non-Metal Mining/Oil & Gas	20,045,333	21.2	102,282,935	12.3
Utilities	537,546,983	1.1	2,969,999,716	2.6
Communications	230,174,162	(2.1)	1,204,576,772	1.6
Railroads/Aircraft	1,701,851	(73.1)	(49,788,413)	N/A
Private Car/Pipelines	1,093,778	293.3	4,838,409	110.2
Publishing	10,750,678	6.6	57,255,349	(2.4)
Printing	32,365,109	1.1	221,734,189	46.6
Restaurants/Bars	547,117,959	2.8	2,580,628,382	3.1
Amusements	71,240,925	89.4	287,769,027	14.2
Commercial Lease	(2,319,174)	N/A	(12,742,139)	N/A
Rental of Personal Property	299,224,598	(11.8)	1,378,143,601	(9.2)
Contracting	986,785,677	1.6	4,859,926,706	(2.2)
Feed Wholesale	(85,286)	N/A	(82,311)	N/A
Retail	3,074,630,040	(3.6)	15,645,406,535	1.5
Mining Severance	2,252,722	N/A	15,800,927	143.3
Timber Severance	0	N/A	0	N/A
Hotel/Motel	147,751,678	6.9	577,189,556	1.1
Membership Camping	188,498	66.8	534,306	(26.0)
Use/Use Inventory	295,465,647	21.7	1,539,055,493	8.5
Rental Occupancy Tax	549,861	74.7	1,788,881	(0.2)
Total	\$6,261,122,396	(0.5)	\$31,407,297,436	1.0

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In November 2002, 11,707,458 gallons of jet fuel were taxed, a 29.1% decrease from the 16,515,706 reported for November 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in November 2002 was \$1,218,737 a 2.9% decrease from the \$1,255,696 claimed in November 2001. Accounting credits claimed-to-date in FY 02/03 equals \$6,615,010 a 0.2% decrease from the \$6,625,539 claimed during the same period in FY 01/02.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>November 2002</u>	<u>November 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$216,859,939	\$195,760,044	10.8
5311-5399	general merchandise stores	232,131,839	226,249,634	2.6
5411-5499	food stores (no food sales)	261,183,691	247,325,236	5.6
5511-5521	motor vehicle dealers	581,605,927	786,441,310	(26.0)
5531-5599	misc. automotive, motorcycle & boat stores	162,491,985	157,160,491	3.4
5611-5699	apparel & accessory stores	177,111,438	163,426,387	8.4
5712-5733	furniture, home furnishings & equipment stores	157,608,096	161,316,758	(2.3)
5912-5949	misc. retail stores	202,915,564	200,505,537	1.2
TOTAL		\$3,074,630,040	\$3,190,775,663	(3.6)

<u>SIC Code Range</u>	<u>Description</u>	<u>Fiscal Year 2003</u>	<u>Fiscal Year 2002</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$980,174,374	\$905,535,131	8.2
5311-5399	general merchandise stores	1,186,573,681	1,316,478,896	(9.9)
5411-5499	food stores (no food sales)	1,239,488,247	1,184,119,698	4.7
5511-5521	motor vehicle dealers	3,114,000,963	3,263,246,474	(4.6)
5531-5599	misc. automotive, motorcycle & boat stores	835,811,078	817,025,395	2.3
5611-5699	apparel & accessory stores	917,797,998	863,216,972	6.3
5712-5733	furniture, home furnishings & equipment stores	786,244,223	785,094,815	0.1
5912-5949	misc. retail stores	962,997,579	954,125,207	0.9
TOTAL		\$15,645,406,535	\$15,418,460,091	1.5

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for November 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	270,996	\$322,383	0.8	\$1,598,702	0.5
Cochise	1,471,375	743,843	1.8	3,708,821	1.8
Coconino	2,853,086	1,139,749	2.7	6,113,469	3.4
Gila	626,960	321,455	0.8	1,669,384	(2.3)
Graham	316,687	191,727	0.5	962,706	(0.9)
Greenlee	162,344	127,970	0.3	727,197	(7.6)
La Paz	213,839	118,208	0.3	597,976	1.8
Maricopa	69,142,049	26,667,556	64.3	131,858,347	0.2
Mohave	3,078,777	1,201,631	2.9	5,678,584	6.4
Navajo	1,630,763	696,103	1.7	3,499,000	2.4
Pima	15,198,634	6,236,500	15.0	31,169,965	1.1
Pinal	1,467,716	983,804	2.4	5,204,053	3.5
Santa Cruz	611,604	268,157	0.6	1,319,022	1.6
Yavapai	3,090,621	1,383,998	3.3	6,900,771	1.7
Yuma	2,184,270	1,046,834	2.5	5,083,471	3.2
Total	\$102,319,720	\$41,449,718		\$206,091,470	1.8

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for November 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during November 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		\$97,836							
Cochise		\$430,681							
Coconino		\$788,133	\$486,456						
Gila	\$193,635	\$189,460							
Graham		\$97,170							
Greenlee		\$53,949							
La Paz		\$61,086	\$61,086				\$13,492		
Maricopa	\$21,893,595		\$8,114,551	\$460,093	\$4,560				\$1,447,772
Mohave		\$451,353							
Navajo		\$430,563							
Pima				\$120,867		\$15,195			
Pinal	\$704,949	\$690,258							
Santa Cruz		\$172,282							
Yavapai		\$924,523	\$360,753						
Yuma		\$661,019	\$660,951					\$658,239	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in November 2002. The table compares the receipts to November 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	November 2002	November 2001	% Change
Spirituos	\$2,057,333	\$2,028,859	1.4
Vinous	845,170	1,013,261	(16.6)
Malt	1,905,494	1,767,459	7.8
Cigarette	17,138,138	14,690,286	16.7
Other Tobacco	308,987	296,932	4.1
Tobacco Licenses	350	225	55.7
Total	\$22,255,472	\$19,797,022	12.4

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Spirituos	\$8,151,549	\$8,098,321	0.7
Vinous	3,399,558	3,232,663	5.2
Malt	9,314,929	9,007,086	3.4
Cigarette*	80,990,404	65,920,368	22.9
Other Tobacco	1,675,324	1,500,304	11.7
Tobacco Licenses	2,050	1,625	26.2
Total	\$103,533,813	\$87,760,367	18.0

*Through November 2002, \$408,400 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	November 2002	FY (02/03)
Spirituos	\$1,440,133	\$5,706,085
Vinous	210,845	847,716
Malt	476,373	2,328,732
Cigarette	4,890,756	22,193,541
Other Tobacco	47,893	259,675
Tobacco Licenses	350	2,050
Total	\$7,066,351	\$31,337,799

Other dedicated revenues from luxury taxes:

	November 2002	FY (02/03)
Correction Fund revenues	\$2,445,141	\$11,017,073
Tobacco Tax & Health Care Fund ²	11,767,635	57,097,043
Tobacco Products Tax Fund ³	81,604	81,604
Wine Promotional Fund revenues	1,791	8,692
Drug Treatment & Education Fund revenues	638,811	2,857,651
Corrections Revolving Fund revenues	254,141	1,133,952

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

	November 2002	\$7,319,440		Fiscal year To Date	\$31,539,305
	November 2001	<u>\$13,264,773</u>		Fiscal year To Date	<u>\$45,838,484</u>
% Change		(44.8%)		% Change	(31.2%)

Private Car

	November 2002	N/A		Fiscal year To Date	N/A
	November 2001	<u>\$81,211</u>		Fiscal year To Date	<u>\$1,498,341</u>
% Change		N/A		% Change	N/A

Bingo

	November 2002	\$39,129		Fiscal year To Date	\$254,585
	November 2001	<u>\$42,444</u>		Fiscal year To Date	<u>\$267,821</u>
% Change		(7.8%)		% Change	(4.9%)

Unclaimed Property

	November 2002	\$17,533,067		Fiscal year To Date	\$26,466,024
	November 2001	<u>\$20,628,802</u>		Fiscal year To Date	<u>\$27,728,538</u>
% Change		(15.0%)		% Change	(4.6%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through November 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,951	0.8%	-\$20,783	-\$7	20.3%	71.1%	5.2%	3.4%	13.9%	12.8%
\$0-\$5,000	50,721	21.8%	\$2,722	\$0	4.3%	83.9%	10.8%	1.0%	3.9%	15.5%
\$5,000-\$10,000	49,502	21.3%	\$7,390	\$24	8.5%	69.8%	20.4%	1.4%	6.8%	28.4%
\$10,000-\$15,000	35,163	15.1%	\$12,355	\$86	16.0%	53.3%	28.7%	2.0%	9.4%	40.8%
\$15,000-\$20,000	25,859	11.1%	\$17,350	\$161	22.4%	45.0%	29.8%	2.8%	9.7%	45.1%
\$20,000-\$25,000	17,320	7.4%	\$22,342	\$262	27.3%	40.1%	29.1%	3.5%	7.8%	48.4%
\$25,000-\$30,000	11,777	5.1%	\$27,339	\$398	30.2%	40.8%	24.6%	4.5%	7.6%	45.3%
\$30,000-\$40,000	14,431	6.2%	\$34,531	\$568	37.4%	38.0%	20.2%	4.3%	8.6%	44.0%
\$40,000-\$50,000	8,411	3.6%	\$44,602	\$802	47.4%	33.3%	15.6%	3.7%	10.9%	43.8%
\$50,000-\$75,000	10,350	4.4%	\$60,235	\$1,176	61.4%	26.1%	10.0%	2.5%	13.4%	45.3%
\$75,000-\$100,000	3,700	1.6%	\$85,441	\$1,865	70.7%	20.2%	6.9%	2.2%	14.9%	44.9%
\$100,000-\$200,000	2,955	1.3%	\$113,110	\$3,399	72.7%	19.9%	5.6%	1.8%	16.9%	41.2%
\$200,000-\$500,000	563	0.2%	\$287,876	\$9,837	69.9%	21.3%	6.5%	2.3%	19.9%	38.9%
\$500,000-\$1,000,000	90	0.0%	\$671,557	\$27,097	58.2%	28.6%	6.6%	6.6%	24.2%	27.5%
\$1,000,000 and over	54	0.0%	\$2,707,667	\$132,024	57.6%	25.4%	10.2%	6.8%	27.1%	25.4%
Total	232,847		\$19,863	\$330	20.5%	57.1%	20.3%	2.2%	7.9%	34.3%

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
November 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,798,117	202,705
Eagar	\$35,775	4,033	Surprise	273,641	30,848
Springerville	17,493	1,972	Tempe	1,407,101	158,625
St. Johns	28,998	3,269	Tolleson	44,122	4,974
<u>Cochise County</u>			Wickenburg	45,080	5,082
Benson	41,789	4,711	Youngtown	26,701	3,010
Bisbee	54,022	6,090	<u>Mohave County</u>		
Douglas	126,956	14,312	Bullhead City	299,552	33,769
Huachuca City	15,532	1,751	Colorado City	29,575	3,334
Sierra Vista	335,087	37,775	Kingman	178,024	20,069
Tombstone	13,341	1,504	Lake Havasu City	372,016	41,938
Willcox	33,114	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	43,617	4,917
Flagstaff	469,202	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,259	7,695
Page	60,400	6,809	Snowflake	39,563	4,460
Williams	25,210	2,842	Taylor	28,173	3,176
<u>Gila County</u>			Winslow	84,448	9,520
Globe	66,405	7,486	<u>Pima County</u>		
Hayden	7,913	892	Marana	120,250	13,556
Miami	17,174	1,936	Oro Valley	263,457	29,700
Payson	120,818	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<u>Graham County</u>			Tucson	4,317,318	486,699
Pima	17,644	1,989	<u>Pinal County</u>		
Safford	81,893	9,232	Apache Junction	282,210	31,814
Thatcher	35,678	4,022	Casa Grande	223,752	25,224
<u>Greenlee County</u>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,033	10,375
Duncan	7,203	812	Florence	128,322	14,446
<u>La Paz County</u>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	318,304	35,883	Nogales	185,201	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,964	2,927	<u>Yavapai County</u>		
Cave Creek	33,070	3,728	Camp Verde	83,836	9,451
Chandler	1,566,381	176,581	Chino Valley	69,501	7,835
El Mirage	67,496	7,609	Clarkdale	30,355	3,422
Fountain Hills	179,497	20,235	Cottonwood	81,423	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,079	109,697	Prescott	301,051	33,938
Glendale	1,940,996	218,812	Prescott Valley	208,770	23,535
Goodyear	167,752	18,911	Sedona	90,409	10,192
Guadalupe	46,376	5,228	<u>Yuma County</u>		
Litchfield Park	33,797	3,810	San Luis	135,916	15,322
Mesa	3,516,089	396,375	Somerton	64,454	7,266
Paradise Valley	121,208	13,664	Wellton	16,224	1,829
Peoria	961,255	108,364	Yuma	687,605	77,515
Phoenix	11,718,477	1,321,045			
Queen Creek	38,286	4,316	TOTAL	\$35,879,921	4,044,808

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
November 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,281,935	202,705
Eagar	\$25,505	4,033	Surprise	195,087	30,848
Springerville	12,471	1,972	Tempe	1,003,167	158,625
St. Johns	20,674	3,269	Tolleson	31,456	4,974
<u>Cochise County</u>			Wickenburg	32,139	5,082
Benson	29,793	4,711	Youngtown	19,036	3,010
Bisbee	38,514	6,090	<u>Mohave County</u>		
Douglas	90,511	14,312	Bullhead City	213,560	33,769
Huachuca City	11,074	1,751	Colorado City	21,085	3,334
Sierra Vista	238,894	37,775	Kingman	126,919	20,069
Tombstone	9,512	1,504	Lake Havasu City	265,222	41,938
Willcox	23,608	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	31,096	4,917
Flagstaff	334,509	52,894	Pinetop/Lakeside	22,653	3,582
Fredonia	6,552	1,036	Show Low	48,664	7,695
Page	43,061	6,809	Snowflake	28,206	4,460
Williams	17,973	2,842	Taylor	20,085	3,176
<u>Gila County</u>			Winslow	60,206	9,520
Globe	47,343	7,486	<u>Pima County</u>		
Hayden	5,641	892	Marana	85,730	13,556
Miami	12,244	1,936	Oro Valley	187,827	29,700
Payson	86,135	13,620	Sahuarita	20,503	3,242
Winkelman	2,802	443	South Tucson	34,720	5,490
<u>Graham County</u>			Tucson	3,077,952	486,699
Pima	12,579	1,989	<u>Pinal County</u>		
Safford	58,384	9,232	Apache Junction	201,196	31,814
Thatcher	25,436	4,022	Casa Grande	159,520	25,224
<u>Greenlee County</u>			Coolidge	49,240	7,786
Clifton	16,417	2,596	Eloy	65,613	10,375
Duncan	5,135	812	Florence	91,485	14,446
<u>La Paz County</u>			Kearny	14,223	2,249
Parker	19,858	3,140	Mammoth	11,143	1,762
Quartzsite	21,211	3,354	Superior	20,579	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	226,929	35,883	Nogales	132,035	20,878
Buckeye	53,736	8,497	Patagonia	5,572	881
Carefree	18,511	2,927	<u>Yavapai County</u>		
Cave Creek	23,576	3,728	Camp Verde	59,769	9,451
Chandler	1,116,723	176,581	Chino Valley	49,550	7,835
El Mirage	48,120	7,609	Clarkdale	21,641	3,422
Fountain Hills	127,969	20,235	Cottonwood	58,049	9,179
Gila Bend	12,522	1,980	Jerome	2,081	329
Gilbert	693,739	109,697	Prescott	214,629	33,938
Glendale	1,383,798	218,812	Prescott Valley	148,839	23,535
Goodyear	119,596	18,911	Sedona	64,456	10,192
Guadalupe	33,063	5,228	<u>Yuma County</u>		
Litchfield Park	24,095	3,810	San Luis	96,898	15,322
Mesa	2,506,731	396,375	Somerton	45,951	7,266
Paradise Valley	86,413	13,664	Wellton	11,567	1,829
Peoria	685,309	108,364	Yuma	490,216	77,515
Phoenix	8,354,473	1,321,045	TOTAL	\$25,579,930	4,044,808
Queen Creek	27,295	4,316			

*The Office of Economic Research & Analysis
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